

Contractors/Subcontractors Refund of Sales and Use Tax Due to Rate Increase

Sales & Use tax notice

This important notice provides additional information regarding claims for refund filed with the Department of Revenue for tax paid to any of the contractor's vendors at a rate in excess of the 6% state rate and the applicable local option sales tax in effect July 1, 2002. Refer to [Important Notice dated July 10, 2002 entitled "Changes in State Sales and Use Tax Rate."](#)

General or prime construction contractors making improvements to real property under lump sum or unit price construction contracts entered into prior to July 15, 2002, or contracts awarded by the state or political subdivision pursuant to a bid opening prior to July 15, 2002, may file a [claim for refund](#) with the Department of Revenue.

"Lump sum or unit price construction contract" will include "cost plus contracts" only if the contract includes a maximum amount (a "cap" or "ceiling"). Change orders to contracts will not be accepted as a qualifying contract available for refund unless the change order was agreed to prior to July 15, 2002.

When requesting a refund, general contractors should supply the department with a copy of the contract signed prior to July 15, 2002, and include a list of the subcontractors'

names and their federal identification numbers or Social Security numbers. The general contractor will receive notification from the Department of Revenue that a reference number has been assigned to the contract. Each claim for refund that is submitted for that contract should include this reference number. It will not be necessary to submit additional copies of the contract with each subsequent claim for refund. However, a separate refund claim will be required for each contract.

Subcontractors requesting refunds should provide a copy of their contract signed prior to September 1, 2002, and a copy of the general contractor's letter from the department stating the contract reference number.

In lieu of the actual invoices, an acceptable [supplemental schedule](#), which can be found on our Web site, may be submitted with the refund request as supporting documentation. If deemed necessary by the department, any or all of the invoices listed on the schedule may be required to support the refund claim.

Have questions or comments? Please let us know. [Contact us.](#)

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